Setting op of National Co-operative Bank of India

526. SHRI SHANKAR DAYAL SINGH: SHRI MOHAMMAD AFZAL: *alias* MEEM AFZAL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Agriculture Credit Review Committee appointed by the Reserve Bank of India had, as far back as in 1989, apart from other suggestions, recommended setting up of National Cooperative Bank of -India (NCBI) as an apex body of the whole co-operative system in the country;

(b) if so, whether the recommendation has been accepted by Government; and

(c) what are the reasons for delay in establishing such an institution in the larger interest of the cooperative movement in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) and (c) A detailed proposal of the National Co-operative Union of India for setting up of the National Co-operative Bank of India (NCBI) was examined by Government in consultation withi the Reserve Bank of India (RBI). la the proposal of setting up of NCBI, it was stipulated that the resource; of the proposed bank will consist of Statutory Liquidity Ratio (SLR) investments of State Co-operative Banks (SCBs), reserve funds of SCBs, surplus balance of large co-operative institutions and a high level of envisaged foreign exchange business. The feasibility of the proposal was examined and the proposed bank was not considered to be a viable institution. A?; regards the role of NCBI being the spokes -man for co-operatives and looking after the interest of co-operative ventures, it was felt that there already exist a number of agencies at apex level who act as spokesmen for the co-operative sector.

Involvement of foreign banks in security Scam

527. SHRI SHANKAR DAYAL SINGH:

SHRIMATI KAMLA SINHA:

SHRI SURESH KALMADI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in the wake of recent securities scam, Govern ment have made any investigation to know if the foreign banks in the countiy are also engaged in securities trade with a nexus between the broker community and the officials in the nationalised banks;

(b) if so. what are the details thereof stating the *modus operandi* of the foreign banks in securities scam, if involved; and

(c) what steps are contemplated by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) The Committee has been set up by Reserve Bank of India under the Chairmanship of Shri R. Janakiraman, Deputy Governor, Reserve Sank of India to inquire into the possible irregularities in funds management and security transactions by commercial bank--, (including foreign banks) and financial institutions.

(b) The Committee set up by Reserve Bank of India, in its second interim report, has determined the value of Investments (Purchases made) by NHB from ANZ Grindlays Bank and Standard Chartered Bank for which the bank does